



UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
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March 10, 2017

By ECF

Hon. Joseph A. Dickson
United States Magistrate Judge
District of New Jersey
Martin Luther King, Jr. Federal Building
and Courthouse
50 Walnut Street
Newark, New Jersey 07102

Re: SEC v. Gentile; 16 Civ. 1619 (JLL)

Dear Judge Dickson:

We represent the Plaintiff, Securities and Exchange Commission, in the above-captioned civil action. We write to respond to the letter sent late yesterday by Defendant's counsel regarding the stay of proceedings in this matter.

By way of background, on May 13, 2016, on the parties' stipulation, this Court entered an order staying this civil action until "a judgment" was entered in the parallel criminal case, United States v. Guy Gentile, 16 Cr. 155 (JLL) (the "Criminal Case"). (DE 8.) On January 30, 2017, Judge Linares entered an order dismissing the indictment in the Criminal Case, thus terminating that proceeding and the stay of this civil action.

The United States Attorney for the District of New Jersey ("USAO") filed a Notice of Appeal of the Court's dismissal order on March 1, 2017. (Criminal Case DE 34.) But, as clearly set out in that Notice, the USAO filed it "protectively, to permit the Solicitor General of the United States sufficient time to determine *whether* to pursue an appeal." (See id. (emphasis added).)

Therefore, because the USAO may never actually pursue an appeal, there is no reason to continue the stipulated stay in this case. Should the Solicitor General determine to pursue an appeal, and should that appeal ultimately result in a resumption of the Criminal Case, then the parties may address whether a stay is necessary or appropriate. But until such time, there is no parallel criminal action to which this civil action should defer. Accordingly, a conference should

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proceed so that the parties may set a discovery schedule and proceed with this litigation on the merits.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Nancy A. Brown", with a long horizontal flourish extending to the right.

Nancy A. Brown

cc: Hon. Jose L. Linares (via regular mail)
Adam Ford, Esq., and Chad Seigel, Esq. (via email)